



Investor Presentation
Financial Results
Half-Year Ending 31 December 2015

HY16 Highlights



- Return to profits. NPAT of \$15.9 million (1H15: \$5.3 million loss)
- Return to dividend. Interim payout of 2.0 (two) cents fully franked
- Australia clear driver of revenue and profit growth – built on brand, customer satisfaction and network leadership
- United Kingdom improves – scale, regulatory and capability issues impact earnings
- Strong online lending growth in Australia
- New banking arrangements finalised
- Productive involvement in Australian credit contract law review
- Major review of Group strategy (see additional Investor Presentation – Strategy Review, for details):
 - Repositioning UK store strategy with planned store divestments to franchisees
 - Divesting the UK loan book
 - Transitioning Carboodle to new secured motor lending business
 - Restructuring will impact second half results
 - Capital and management time will be focused on improving returns, driving growth and efficiencies in the core Australian business

Solid growth in revenue and profit



Statutory		31 December 2015	31 December 2014	Variance
Revenue	\$m	198.6	187.7	+5.8%
EBITDA	\$m	36.5	2.8	+1,182.2%
EBIT	\$m	29.7	(1.7)	+1,883.6%
NPAT	\$m	15.9	(5.3)	+400.0%
EPS	Cps	3.30	(1.21)	+372.7%
EPS (Normalised)	Cps	3.50	3.53	-0.8%
EBITDA Normalised (see next slide)	\$m	37.3	32.4	+15.1%

Revenue

\$198.6m

+5.8%

2014: \$187.7m

Normalised Australian EBITDA

\$38.4m

+11.5%

2014: \$34.4m

Normalised Group EBITDA

\$37.3m

+15.1%

2014: \$32.4m

Underlying performance strong



Normalised EBITDA		31-Dec-15	31-Dec-14	Variance
EBITDA Statutory	\$m	36.5	2.8	+1,182.2%
- Stamp Duty on Store Acquisitions	\$m	-	0.4	-
- Ausgroup Provision	\$m	-	(1.1)	-
- Kentsleigh Agency Termination Payment	\$m	-	29.6	-
- Termination Fees – Bank Facility	\$m	-	0.7	-
- Strategy Review Costs	\$m	0.8	-	-
EBITDA Underlying, Normalised	\$m	37.3	32.4	15.1%

The above table provides a normalised EBITDA with adjustments to the respective periods in order to better reflect the underlying performance of the Cash Converters business.

Australian Personal Loan Book

\$115.8m

2014: \$115.7

**Australian Online Personal Loans
– Principal Advanced**

\$44.6m

+42.5%

2014: \$31.3m

**Australian Online Cash Advance
– Principal Advanced**

\$8.2m

+62.1%

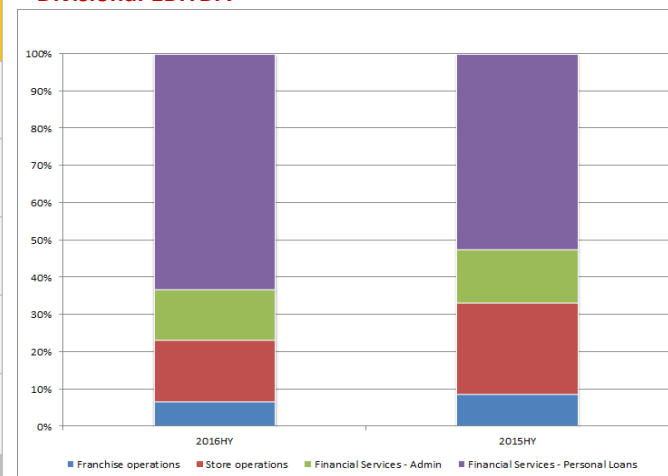
2014: \$5.1m

Australia drives results

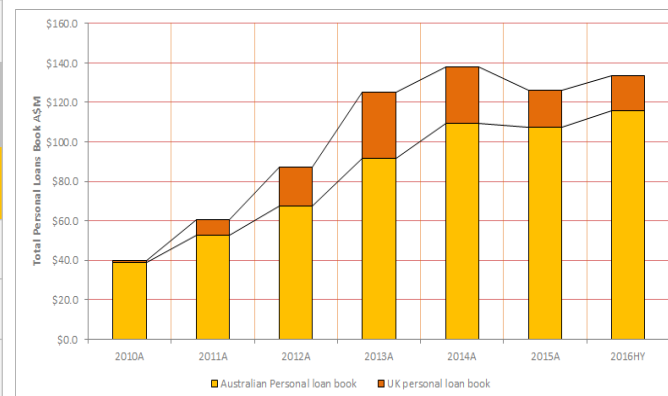


Divisional EBITDA (Normalised)	HY2015	HY2014	Movement
Franchise Operations	3.2	3.6	-12.3%
Store Operations	8.2	10.5	-21.7%
Financial Services - Administration	6.8	6.1	+12.6%
Financial Services – Personal Loans	31.4	22.5	+39.1%
Green Light Auto (before Minority)	(1.2)	(0.8)	-38.6%
Green Light, Minority Interest	-	0.2	-
Total before Head Office Costs	48.4	42.1	+15.0%
Corporate Head Office Costs	(11.1)	(9.7)	+14.4%
Total Divisional EBITDA (Normalised)	37.3	32.4	+15.1%
Geographical EBITDA (Normalised)	HY2015	HY2014	Movement
Australian Operations	38.2	34.4	+11.0%
UK Operations	(1.1)	(2.3)	+52.1%
International Operations	0.2	0.3	-28.3%

Divisional EBITDA



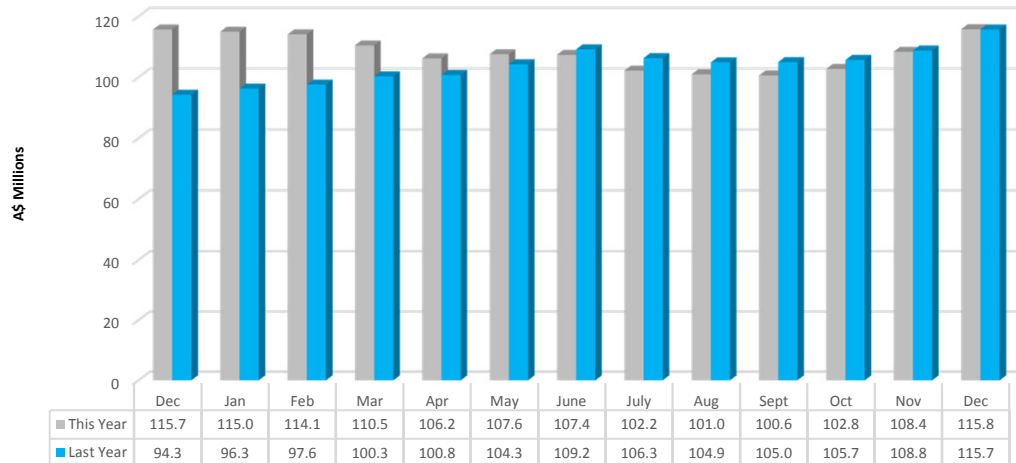
Personal Loan Books



Personal lending a key contributor

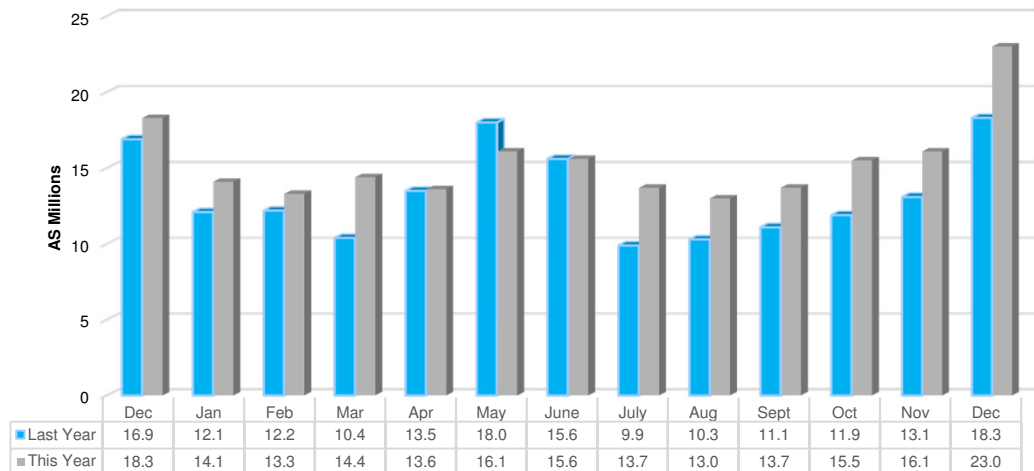


Australian Personal Loan Book



- Total Loan Book volume steady
- 186,994 active customers
- Produced EBITDA of \$30.8m (1H15: \$25.5m)
- Bad debts written off at 7.1% (1H15: 6.3%)
- Online loans up 42.5% to \$44.6m

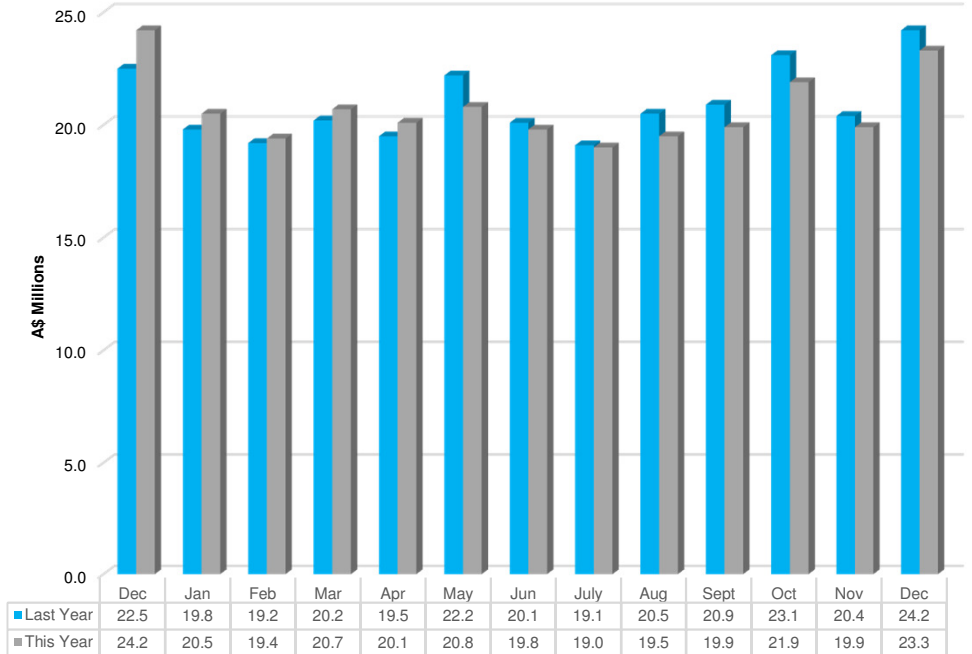
Australian Personal Loans - Principal Advanced



Australian Cash Advance attracts more customers



Australian Cash Advance – Principal Advanced

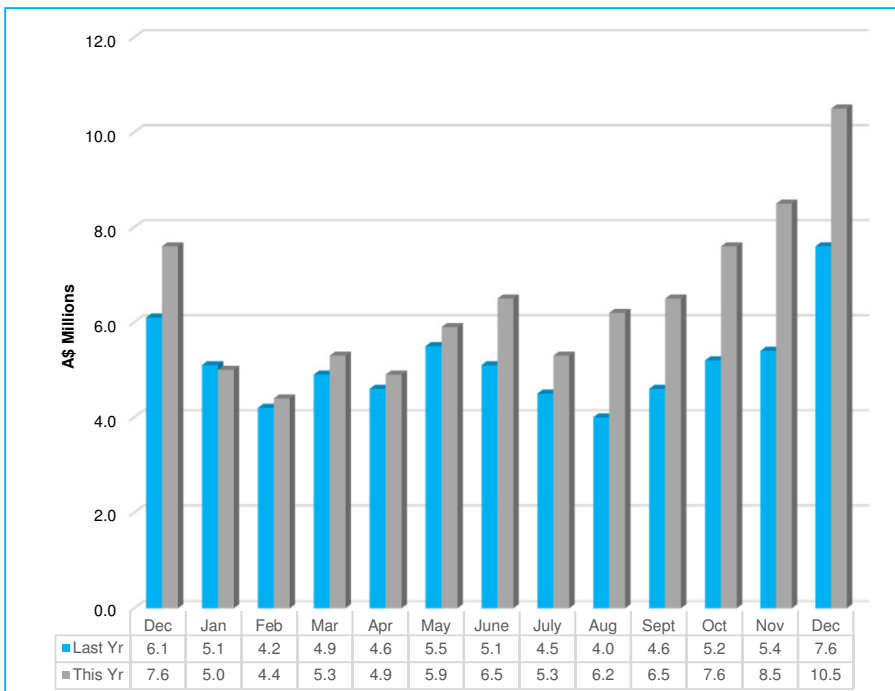


- EBITDA contribution up 15.7% to \$6.2m
- Total principal loaned down 3.7% to \$123.5m
- Average loan amount up from \$417 to \$430
- Total customers up 10.4% to 627,069

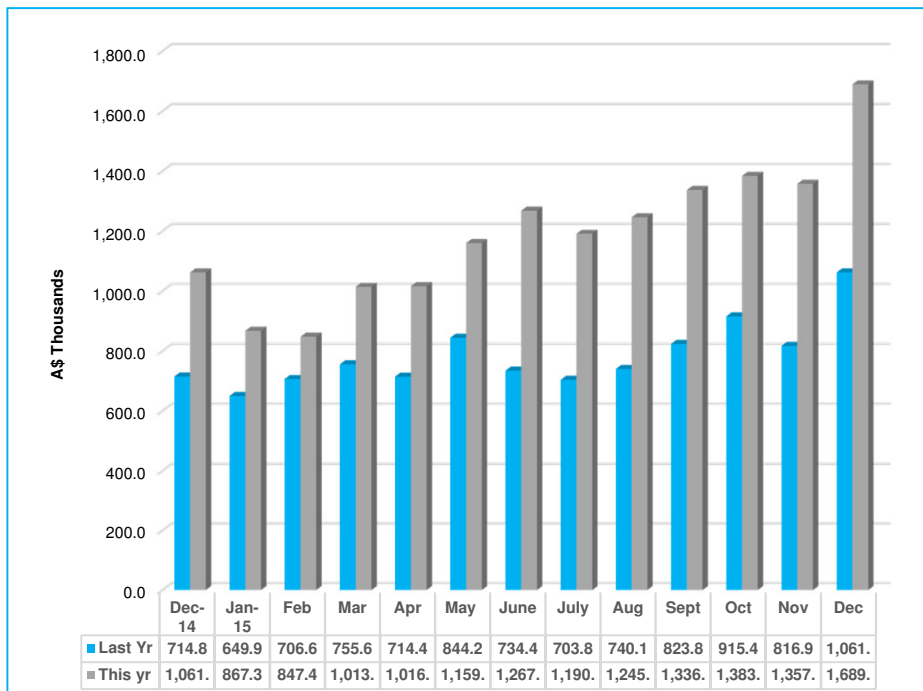
Online growth continues to be strong in Australia



Online Personal Loan Volumes



Online Cash Advance Volumes



New banking arrangements will underpin future growth



- Securing new banking arrangements was a pleasing outcome
- The Fortress facility covers five years – an initial three years with an option for a two year extension
- It allows for a drawdown of up to \$100 million (\$70 million currently)
- It does not impose EBITDA or gearing ratio covenants and loans originated online (a key growth origination channel) are unrestricted
- The facility will start in March 2016 ensuring a seamless transition
- We also have a five year agreement with a service provider to replace our existing transactional banking facilities
- The transition is expected to be complete by July 2016.

Productive involvement in Australian regulatory review



- Government review of small amount credit contract laws
- Preliminary findings released December 2015
- Recommendations due end of February 2016
- We have been engaged in industry and company discussions with government, agencies and the Review Panel
- Prepared submissions in response to initial discussion paper and preliminary findings
- Encouraged by the initial government position that there is a role for short-term lending conducted within a responsible lending framework
- We will continue to work constructively with government to develop regulations that assist financial inclusion and industry sustainability

Outlook



- Positive outlook for prospects in Australia – growth in demand for short-term lending expected to continue
- United Kingdom industry market in transition. Impact of regulation on profits, combined with company scale and capability issues necessitate changes to strategy and structure
- Will build on current brand, customer satisfaction and network strengths in Australia. Includes launch of new medium amount credit contract loans (for periods up to two years and amounts up to \$5,000)
- In Australia, Carboodle will cease operations and the current leasing book wound back. Negotiations are being finalised for the transition to a new secured motor lending business, Green Light Auto Finance. This will operate as a low overhead, capital 'light' business supported by a funding platform from a third party
- New banking arrangements will support future growth
- Australian regulatory change will require increased attention to compliance – will be beneficial in securing consumer confidence and confirming future of short-term lending sector